



(Unofficial Translation¹)

Regulation of the Bank of Thailand

No. SorRorKhor. 3/2566

Re: Measures for Managing Risks from Multilateral Net Settlement
through the BAHTNET (Securities Requirements for Settlement)
(First Amendment)

1. Rationale

To stipulate additional criteria for debt instruments that funds transferring/receiving institutions or collateral providers are able to maintain as collateral for settlement at the Bank of Thailand (BOT), the BOT prohibits the use of debt instruments for which the institutions are the issuers or the guarantors as collateral at the BOT to prevent wrong-way risk and to be consistent with the collateral requirements for the BOT's open market operations.

2. Statutory Power

By virtue of Section 44 and Section 45 of the Bank of Thailand Act B.E. 2485 (1942) and subsequent amendments in the Bank of Thailand Act (4th) B.E. 2551 (2008).

3. Amendments

The Bank of Thailand Regulation No. SorRorKhor. 1/2557 Re: Measures for Managing Risks from Multilateral Net Settlement through the BAHTNET (Securities Requirements for Settlement), dated 27th October 2557 (2014).

4. Scope of Application

This Regulation shall be enforced with sending institutions and funds transferring/receiving institutions under the Bank of Thailand Regulation No. SorRorKhor. 1/2557 Re: Measures for Managing Risks from Multilateral Net Settlement through the BAHTNET (Securities Requirements for Settlement), dated 27th October 2557 (2014).

5. Contents

The provision of (1) under the definition of “Debt instruments as collateral for settlement” under Article 1 of the Bank of Thailand Regulation No. SorRorKhor. 1/2557 Re: Measures for Managing Risks from Multilateral Net Settlement through the

¹ This translation is for the convenience of those unfamiliar with the Thai language. Please refer to the Thai text for the official version.

BAHTNET (Securities Requirements for Settlement), dated 27th October 2557 (2014), shall be repealed and replaced by the following:

“ (1) The following debt instruments:

(1.1) Treasury bills, promissory notes for debt restructuring, and government bonds;

(1.2) Debentures, bonds, or debt instruments issued by state enterprises or financial institutions established under specific laws as specified by the BOT whose principal and interest are guaranteed by the Ministry of Finance;

(1.3) Debentures, bonds, or debt instruments issued by state enterprises or financial institutions established under specific laws as specified by the BOT whose principal and interest are not guaranteed by the Ministry of Finance; however, such debt instruments or their issuers have a credit rating of at least AAA from TRIS or an equivalent rating from a credit rating agency as specified by the BOT, or at least an equivalent rating to the Thai government as assigned by S&P or Moody's;

(1.4) Bonds or debt instruments issued by the Financial Institutions Development Fund;

(1.5) BOT bonds;

(1.6) Other bonds or debt instruments as approved by the BOT.

The debt instruments, as stated in (1.2) and (1.3) of the above definition of debt instruments as collateral for settlement, must be issued by the following state enterprises or financial institutions established under specific laws:

1. State enterprises registered with the ThaiBMA with the bond type by issuer indicated as State Owned Enterprise;
2. The Government Savings Bank;
3. The Government Housing Bank;
4. The Bank for Agriculture and Agricultural Cooperatives;
5. The Export-Import Bank of Thailand;
6. The Small and Medium Enterprise Development Bank of Thailand;
7. Secondary Mortgage Corporation.

In the case where a funds transferring/receiving institution or a collateral provider wishes to use debentures, bonds, or debt instruments under (1.2) and (1.3) of the definition of debt instruments as collateral for settlement for transactions through the BAHTNET system, such debentures, bonds, or debt instruments must not be issued or guaranteed by the funds transferring/receiving institution or the collateral provider themselves.”

6. Effective Date

This Regulation shall be in force on 25th December B.E. 2566 (2023) onwards.

Announced on 25th December B.E. 2566 (2023)

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